



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
LAWRENCE COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable David L. Compton, Lawrence County Judge/Executive

Honorable Roger Jordan, Former Lawrence County Judge/Executive

Members of the Lawrence County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Lawrence County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Lawrence County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Lawrence County, Kentucky prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Lawrence County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1999, in conformity with the cash basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Mike Haydon, Secretary, Revenue Cabinet

Honorable David L. Compton, Lawrence County Judge/Executive

Honorable Roger Jordan, Former Lawrence County Judge/Executive

Members of the Lawrence County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Lawrence County, Kentucky, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the financial statements. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present the accompanying findings and questioned costs, included herein, which discusses the following area of noncompliance:

- The Lawrence County Fiscal Court Should Disclose Related Party Transactions To The County Board Of Ethics

In accordance with Government Auditing Standards, we have also issued our report dated February 23, 2000 on our consideration of Lawrence County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,



Edward B. Hatchett, Jr.

Auditor of Public Accounts

Audit fieldwork completed -
February 23, 2000

LAWRENCE COUNTY OFFICIALS

Fiscal Year Ended June 30, 1999

David L. Compton	County Judge/Executive
Kimberly Compton	County Attorney
Gallie Isaac, Jr.	County Clerk
Martha Kiser	Circuit Court Clerk
Bobby Workman	Sheriff
Farris T. Bush	Jailer
James Heston	Property Valuation Administrator
Sue Maynard	County Treasurer
L. Michael Wilson	Coroner
Roger Jordan	Magistrate
Steve Sparks	Magistrate
Gary Nelson	Magistrate
Orville Rowe	Magistrate

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

LAWRENCE COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets and Other Resources

Assets

General Fund:	
Cash	\$ 27,280
Road and Bridge Fund:	
Cash	328,307
Jail Fund:	
Cash	1,952
Local Government Economic Assistance Fund:	
Cash	64,248
Community Development Block Grant - Sewer Project Fund:	
Cash	91,306
Community Development Block Grant - Economic Development Fund:	
Cash	295,101
Notes Receivable (Note 4)	218,183
Forestry Fund:	
Cash	21,377
E-911 Fund:	
Cash	56,559
Voted Courthouse Annex Bond Fund:	
Cash	219

Other Resources

Voted Courthouse Annex Bond Fund:	
Amounts to be Provided in Future Years for	
Bond Principal Payments (Note 5)	424,781
Road and Bridge Fund:	
Amounts to be Provided in Future Years for	
Capital Lease Principal Payments (Note 7)	<u>886,200</u>
Total Assets and Other Resources	<u>\$ 2,415,513</u>

The accompanying notes are an integral part of the financial statements.

LAWRENCE COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1999
 (Continued)

Liabilities and Fund Balances

Liabilities

Community Development Block Grant Fund:	
Deferred Revenue (Note 4)	\$ 218,183
Road and Bridge Fund:	
Kentucky Area Development Districts Capital Lease Financing	
Trust Agreement Principal (Note 7)	886,200
Voted Courthouse Annex Bond Fund:	
Bond Principal Not Matured (Note 5)	425,000

Fund Balances

Reserved:	
Local Government Economic Assistance Fund	64,248
Community Development Block Grant - Sewer Project Fund	91,306
Community Development Block Grant - Economic Development Fund	295,101
Forestry Fund	21,377
E-911 Fund	56,559
Unreserved:	
General Fund	27,280
Road and Bridge Fund	328,307
Jail Fund	1,952
	<hr/>
Total Liabilities and Fund Balances	<u><u>\$ 2,415,513</u></u>

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

LAWRENCE COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 3,304,582	\$ 857,552	\$ 1,006,943	\$ 56,737
Transfers In	764,913	177,695	188,000	203,300
Kentucky Advance Revenue Program	579,160	303,160	276,000	
Total Cash Receipts	<u>\$ 4,648,655</u>	<u>\$ 1,338,407</u>	<u>\$ 1,470,943</u>	<u>\$ 260,037</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 3,013,147	\$ 798,759	\$ 1,044,448	\$ 244,430
Transfers Out	764,913	221,900	205,695	15,000
Bonds:				
Principal Paid	30,000			
Interest Paid	31,900			
Kentucky Area Development Districts Capital Lease Financing Trust - Principal	77,000		77,000	
Kentucky Advance Revenue Program Repaid	579,160	303,160	276,000	
Total Cash Disbursements	<u>\$ 4,496,120</u>	<u>\$ 1,323,819</u>	<u>\$ 1,603,143</u>	<u>\$ 259,430</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 152,535	\$ 14,588	\$ (132,200)	\$ 607
Cash Balance - July 1, 1998	<u>733,814</u>	<u>12,692</u>	<u>460,507</u>	<u>1,345</u>
Cash Balance - June 30, 1999	<u>\$ 886,349</u>	<u>\$ 27,280</u>	<u>\$ 328,307</u>	<u>\$ 1,952</u>

The accompanying notes are an integral part of the financial statements.

LAWRENCE COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Community Development Block Grant- Sewer Project Fund	Community Development Block Grant- Economic Development Fund	Forestry Fund	E-911 Fund	Voted Courthouse Annex Bond Fund
\$ 414,699 43,000	\$ 856,150	\$ 50,124 91,018	\$ 5,771	\$ 56,580	\$ 26 61,900
<u>\$ 457,699</u>	<u>\$ 856,150</u>	<u>\$ 141,142</u>	<u>\$ 5,771</u>	<u>\$ 56,580</u>	<u>\$ 61,926</u>
\$ 183,665 231,300	\$ 701,476 91,018	\$ 36,784	\$ 3,564	\$ 21	\$
					30,000 31,900
<u>\$ 414,965</u>	<u>\$ 792,494</u>	<u>\$ 36,784</u>	<u>\$ 3,564</u>	<u>\$ 21</u>	<u>\$ 61,900</u>
\$ 42,734 21,514	\$ 63,656 27,650	\$ 104,358 190,743	\$ 2,207 19,170	\$ 56,559	\$ 26 193
<u>\$ 64,248</u>	<u>\$ 91,306</u>	<u>\$ 295,101</u>	<u>\$ 21,377</u>	<u>\$ 56,559</u>	<u>\$ 219</u>

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Lawrence County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the application of the criteria stated in GASB 14, management has included the Lawrence County Voted Courthouse Annex Bond Fund as part of the reporting entity

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Lawrence County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 1999, the county's deposits were fully insured or collateralized at 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 4. Notes Receivable

- A. The County loaned \$400,000 to Lawrence County Properties on March 16, 1984, for the purpose of leasing the old Louisa Carpet Mills Properties. Terms of the agreement stipulate 20 annual payments at 2 percent interest. Lawrence County Properties is in substantial compliance with the terms of the agreement. As of June 30, 1999, the principal balance was \$151,857.
- B. The County loaned \$100,000 to Ron Perry Chevrolet on October 18, 1994, payable in 20 consecutive semiannual installments of \$5,000 each on April 15 and October 15 during the term of the loan. Interest is at the rate of 2 percent per annum. Beginning June 26, 1996, payments are being made in the amount of \$1,000 per month. Ron Perry Chevrolet is paying more than is required on the loan, but is in substantial compliance with the loan agreement. As of June 30, 1999, the principal balance was \$66,326.

Note 5. Long-Term Debt

On July 1, 1987, Lawrence County Fiscal Court Issued \$685,000 of bonds, payable semiannually on January 1 and July 1 of each year, beginning on January 1, 1988. The purpose of this bond issue was to finance construction of the Lawrence County Courthouse Annex. As of June 30, 1999, the principal balance was \$425,000. Bond payments for the next five years are:

Principal Maturity Dates

<u>Due Date</u>	<u>Scheduled Interest</u>	<u>Scheduled Principal</u>
1999-00	\$ 29,544	\$ 35,000
2000-01	26,825	40,000
2001-02	23,925	40,000
2002-03	21,025	40,000
2003-04	17,762	50,000
Remaining	<u>33,350</u>	<u>220,000</u>
Totals	<u>\$ 152,431</u>	<u>\$ 425,000</u>

Note 6. Lease-Purchase Agreements

Lawrence County entered into a lease agreement for the purchase of road equipment. The agreement requires four annual payments of \$36,519 to be paid in full October 2000. The principal balance of the agreement was \$66,453 as of June 30, 1999.

LAWRENCE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 7. Kentucky Area Development Districts Financing Trust Agreement - Capital Lease

Lawrence County entered into a lease agreement with Kentucky Area Development Districts Financing Trust Program for road improvements. Terms of the agreement stipulate a ten-year repayment schedule with variable annual interest and principal payments. As of June 30, 1999, the principal balance was \$886,200. Lease payments for the next five years are:

Principal Maturity Dates

Fiscal Year Ending June 30	Interest	Principal
2000	\$ 54,042	\$ 81,900
2001	48,850	87,100
2002	43,331	92,600
2003	37,462	98,500
2004	31,222	104,600
Remaining	54,219	421,500
Totals	<u>\$ 269,126</u>	<u>\$ 886,200</u>

Note 8. Related Party Transactions

The Lawrence County Fiscal Court entered into the following related party transactions:

- A. Former County Judge/Executive Roger Jordan's brother-in-law, John Lemaster, was awarded contracts totaling \$107,495 for road repairs during fiscal year ended June 30, 1999.
- B. County Treasurer Sue Maynard's brother, Jim Cyrus, was awarded contracts totaling \$95,183 for construction projects during fiscal year ended June 30, 1999.
- C. County Treasurer Sue Maynard's son-in-law, Charles Allen Bradshaw, performed various small repair projects totaling \$8,140 for the county during fiscal year ended June 30, 1999.

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COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

LAWRENCE COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 1,168,589	\$ 857,552	\$ (311,037)
Road and Bridge Fund	1,485,865	1,006,943	(478,922)
Jail Fund	257,994	56,737	(201,257)
Local Government Economic Assistance Fund	183,666	414,699	231,033
Community Development Block Grant- Sewer Project Fund	1,566,000	856,150	(709,850)
Community Development Block Grant- Economic Development Fund	55,000	50,124	(4,876)
Forestry Fund	5,257	5,771	514
Totals	<u>\$ 4,722,371</u>	<u>\$ 3,247,976</u>	<u>\$ (1,474,395)</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 4,722,371
Add: Budgeted Prior Year Surplus	366,550
Less: Other Financing Uses	<u>(716,679)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 4,372,242</u>

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SCHEDULE OF OPERATING REVENUE

LAWRENCE COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<hr/>				
Revenue From Local Taxes <u>and Excess Fees</u>				
Sheriff:				
Taxes	\$ 451,743	\$ 446,469	\$	\$
Excess Fees - 1997	136	136		
County Clerk:				
Deed Transfer Tax	12,847	12,847		
Delinquent Taxes	16,155	16,155		
Excess Fees - 1998	62,406	62,406		
Tangible Personal Property Taxes:				
County Clerk	78,395	78,395		
Other Counties	13,233	13,233		
In Lieu of Taxes:				
U.S. Treasurer	14,141	14,141		
911	56,236			
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	\$ 705,292	\$ 643,782	\$ 0	\$ 0
<hr/>				
<u>Federal Receipts - State Treasurer</u>				
Kentucky Infrastructure Authority:				
State Revolving Loan Fund	\$ 388,248	\$	\$	\$
Disaster and Emergency Assistance				
Grant - Coordinator Salary	8,951	8,951		
Grants:				
Federal Emergency Management				
Assistance - Reimbursement	58,606		58,606	
Community Development Block				
Grant - Sewer Project	460,432			
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	\$ 916,237	\$ 8,951	\$ 58,606	\$ 0

LAWRENCE COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Community Development Block Grant - Sewer Project Fund	Community Development Block Grant - Economic Development Fund	Forestry Fund	E-911 Fund	Voted Courthouse Annex Bond Fund
\$	\$	\$	\$ 5,274	\$	\$
				56,236	
\$ 0	\$ 0	\$ 0	\$ 5,274	\$ 56,236	\$ 0
\$	\$ 388,248	\$	\$	\$	\$
	460,432				
\$ 0	\$ 848,680	\$ 0	\$ 0	\$ 0	\$ 0

LAWRENCE COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
Jail				
Allotments	\$ 31,000	\$	\$	\$ 31,000
Medical Allotments	3,005			3,005
Court Costs	11,770			11,770
DUI Service Fees	2,442			2,442
Juvenile Reimbursement	8,300			8,300
Miscellaneous	38			38
Public Defender Allotment	10,939	10,939		
Truck License Distribution	161,449		161,449	
Strip Mine Permits	15,695		15,695	
County Road Aid	749,852		749,852	
Courthouse Rental - Administrative				
Office of the Courts	102,215	102,215		
Refunds:				
Legal Process Tax	646	646		
Drivers Licenses	1,490		1,490	
Severance Taxes:				
Coal	362,806			
Mineral	50,806			
Board of Assessments	650	650		
Grants:				
Flood Relief	1,200		1,200	
FIVCO	10,850	10,850		
Totals	\$ 1,525,153	\$ 125,300	\$ 929,686	\$ 56,555

LAWRENCE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

Local Government Economic Assistance Fund	Community Development Block Grant - Sewer Project Fund	Community Development Block Grant - Economic Development Fund	Forestry Fund	E-911 Fund	Voted Courthouse Annex Bond Fund
\$	\$	\$	\$	\$	\$
362,806					
50,806					
<u>\$ 413,612</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LAWRENCE COUNTY
 SCHEDULE OF OPERATING REVENUE
 Fiscal Year Ended June 30, 1999
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u>				
Interest Earned	\$ 29,300	\$ 2,774	\$ 16,348	\$ 182
Notes Receivable Collections:				
Lawrence County Properties	31,500			
Ron Perry Chevrolet	12,000			
Licenses and Permits:				
Cable TV Franchise	2,960	2,960		
Advertising Cost - Sheriff	1,242	1,242		
Insurance Proceeds	30,775	30,775		
Election - Reimbursement	8,925	8,925		
County Attorney - Reimbursement	9,159	9,159		
County Attorney - Excess Fees	14,134	14,134		
Sewer Tap Fees	6,032			
Dalton Tire Lease Fee	1,505	1,505		
Extension Rent	1,200	1,200		
Miscellaneous Items	9,168	6,845	2,303	
Totals	<u>\$ 157,900</u>	<u>\$ 79,519</u>	<u>\$ 18,651</u>	<u>\$ 182</u>
Total Operating Revenue	<u>\$ 3,304,582</u>	<u>\$ 857,552</u>	<u>\$ 1,006,943</u>	<u>\$ 56,737</u>

LAWRENCE COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Community Development Block Grant - Sewer Project Fund	Community Development Block Grant - Economic Development Fund	Forestry Fund	E-911 Fund	Voted Courthouse Annex Bond Fund
\$ 1,067	\$ 1,438	\$ 6,624	\$ 497	\$ 344	\$ 26
		31,500			
		12,000			
	6,032				
20					
<u>\$ 1,087</u>	<u>\$ 7,470</u>	<u>\$ 50,124</u>	<u>\$ 497</u>	<u>\$ 344</u>	<u>\$ 26</u>
<u>\$ 414,699</u>	<u>\$ 856,150</u>	<u>\$ 50,124</u>	<u>\$ 5,771</u>	<u>\$ 56,580</u>	<u>\$ 26</u>

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

LAWRENCE COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 53,698	\$ 51,625	\$ 2,073
Deputy County Judge/Executive	25,090	25,090	
Secretaries	19,698	19,678	20
Office Materials and Supplies	11,430	11,430	
Miscellaneous	1,000	416	584
Office of County Attorney:			
Salaries-			
County Attorney	34,765	34,765	
Secretaries	25,244	25,244	
Legal Fees	2,000	1,413	587
Office of County Clerk:			
Tax Bill Preparation	3,600	1,440	2,160
Fiscal Court:			
Magistrates-			
Salaries	39,720	39,720	
Expense Allowance	16,068	16,068	
Legal Publications	2,000	1,056	944
Postage	6,000	5,359	641
Training	7,000	4,710	2,290
Travel	12,740	12,740	
Miscellaneous	216	216	
Fiscal Court Clerk Salary	3,600	3,600	
Office of Property Valuation Administrator:			
Statutory Contribution	13,480	13,480	
Office of Board of Assessment Appeals:			
Per Diem	1,300	1,300	

LAWRENCE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of County Treasurer:			
Salaries-			
County Treasurer	\$ 29,835	\$ 29,835	\$
Other Salaries	12,220	11,782	438
Bond	1,400	1,013	387
Office Materials and Supplies	1,354	1,354	
Office of County Finance Director:			
County Finance Director Salary	9,986	9,374	612
FEMA Administration	23,898	23,898	
County Law Library:			
Law Librarian Salary	650	650	
Elections:			
Commissioners	3,400	2,300	1,100
Officers	12,310	10,150	2,160
Machine	11,000	9,037	1,963
Poll Rental	150	150	
Printing and Advertising	11,923	11,923	
Miscellaneous	3,880	3,780	100
Courthouse:			
Janitor	16,402	13,686	2,716
Materials and Supplies	6,000	3,042	2,958
Repairs	14,854	14,854	
Utilities	27,855	27,855	
Telephone	30,000	27,747	2,253
Annex Building:			
Janitor	15,985	15,985	
Materials and Supplies	6,330	2,244	4,086
Repairs	17,000	15,183	1,817
Utilities	10,000	8,599	1,401

LAWRENCE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Protection to Persons and Property</u>			
County Fire Department:			
Contributions	\$ 14,700	\$ 8,710	\$ 5,990
<u>Debt Service</u>			
Borrowed Money:			
Interest	1,000		1,000
<u>Capital Projects</u>			
Buildings:			
Maintenance and Repair Services	1,350	1,350	
<u>Recreation and Culture</u>			
Fallsburg Community Shelter	10,850		10,850
<u>Administration</u>			
General Services:			
Audit Services	45,977	43,969	2,008
Officials' Bonds	5,938	5,938	
Insurance	27,068	27,068	
Memberships-			
FIVCO	4,400	4,263	137
Eastern Kentucky Conference	8,944	8,944	
KACO	2,000	1,900	100
Bond Trustee Fee	1,741	1,741	
Fringe Benefits:			
County Contributions-			
Social Security	54,108	54,108	
Retirement	60,441	60,441	
Health Insurance	48,338	48,034	304
Medicare	1,051		1,051
Worker's Compensation	11,722	11,722	

LAWRENCE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits: (Continued)			
Unemployment Insurance	\$ 8,000	\$ 6,780	\$ 1,220
Total Operating Budget	\$ 852,709	\$ 798,759	\$ 53,950
Other Financing Uses:			
Transfers to Voted Courthouse			
Annex Bond Fund	61,900	61,900	
Kentucky Advance Revenue Program-			
Principal	303,160	303,160	
Total General Fund	\$ 1,217,769	\$ 1,163,819	\$ 53,950

ROAD AND BRIDGE FUND

General Government

Office of County Finance Director:			
FEMA Administration	\$ 19,784	\$ 19,784	\$

Roads

Road Maintenance:			
Salaries-			
Road Foreman	22,658	22,658	
Road Labor	72,697	71,370	1,327
Equipment Operators	118,851	111,794	7,057
Truck Drivers	33,788	33,788	
Surveyor	6,600	6,450	150
Asphalt	38,521	6,771	31,750
Crushed Stone and Gravel	120,081	120,081	
Flood Repairs	254,658	175,434	79,224
Gasoline and Diesel Fuel	40,000	33,982	6,018
Machinery and Equipment Repairs	91,070	91,070	
Pipe	19,500	19,110	390
Right of Way	2,500		2,500
Tires and Tubes	14,979	14,979	

LAWRENCE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
<u>Roads</u> (Continued)			
Road Maintenance: (Continued)			
Wood Products	\$ 5,100	\$ 5,100	\$
Contracted Construction	1,663	1,663	
Contracts With Private Agencies	29,056	29,056	
<u>Debt Service</u>			
Other County Liabilities:			
Lease-Purchase Agreements-			
Principal - Equipment	30,200	30,200	
Interest - Equipment	7,700	6,319	1,381
Interest - Roads	58,921	58,921	
<u>Administration</u>			
Insurance:			
Equipment	35,863	35,863	
Fringe Benefits:			
County Contributions-			
Retirement	47,790	47,789	1
Social Security	29,603	29,603	
Health Insurance	40,600	40,600	
Worker's Compensation	11,722	11,722	
Unemployment Insurance	20,341	20,341	
Total Operating Budget	\$ 1,174,246	\$ 1,044,448	\$ 129,798
Other Financing Uses:			
Kentucky Area Development			
Districts Financing Trust	75,619	77,000	(1,381)
Kentucky Advance Revenue Program-			
Principal	276,000	276,000	
Total Road and Bridge Fund	\$ 1,525,865	\$ 1,397,448	\$ 128,417

LAWRENCE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND</u>			
<u>Protection to Persons and Property</u>			
Office of Jailer:			
Personnel Services-			
Salaries-			
Jailer	\$ 40,300	\$ 30,363	\$ 9,937
Jail Personnel	16,544	16,544	
Transport Supervisor	8,500	8,500	
Part-Time	10,425	10,425	
Contracts With Other Counties	95,919	95,919	
Juvenile Housing	42,362	40,440	1,922
Food	400	97	303
Gasoline	2,800	2,672	128
Medical Services	27,172	27,172	
Travel	1,002	1,002	
Miscellaneous	1,000	315	685
<u>Debt Service</u>			
Holding Company Bonds:			
Interest - Regional Detention Center	11,570	10,981	589
Total Jail Fund	\$ 257,994	\$ 244,430	\$ 13,564

LOCAL GOVERNMENT ECONOMIC
ASSISTANCE FUND

General Government

Office of County Coroner:			
Salaries-			
County Coroner	\$ 8,100	\$ 8,100	\$
Assistant	1,900	1,850	50
Autopsies and Attendant Services	7,739	7,739	

LAWRENCE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
LOCAL GOVERNMENT ECONOMIC <u>ASSISTANCE FUND</u> (Continued)			
<u>General Government</u> (Continued)			
<u>Protection to Persons and Property</u>			
Sheriff's Office:			
Gasoline	\$ 6,182	\$ 6,182	\$
Vehicle Maintenance	8,818	8,647	171
Disaster and Emergency Services:			
Program Support	19,040	19,000	40
Emergency Dispatch Service:			
Dispatch Service	25,736	25,736	
<u>General Health and Sanitation</u>			
Solid Waste Collection:			
Supervisor Salary	20,696	19,263	1,433
Dog Control:			
Lawrence County Animal Control	20,000	20,000	
Social Services:			
Service to Indigents-			
Pauper Burials	1,290	1,290	
Public Advocate Program:			
Legal Fees	18,285	18,285	
Senior Citizens	100		100
<u>Roads</u>			
Road Maintenance:			
Asphalt and Crushed Stone	106,452	46,473	59,979

LAWRENCE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND (Continued)			
<u>Recreation and Culture</u>			
Supplies and Equipment:			
Chapman Park	\$ 1,100	\$ 1,100	\$
Stella Moore LFCL	1,598		1,598
Total Local Government Economic Assistance Fund	\$ 247,036	\$ 183,665	\$ 63,371
COMMUNITY DEVELOPMENT BLOCK GRANT - SEWER PROJECT FUND			
<u>Capital Projects</u>			
Sewers:			
Architect Services	\$ 141,000	\$ 141,000	\$
Legal Fees	16,000		16,000
Engineering Services	93,000	10,563	82,437
Contracted Construction-			
Negotiation	46,000	38,000	8,000
Sewer Plant	50,000		50,000
Pump Station	80,000		80,000
Grinder Pumps	130,000		130,000
Tap Fees	855,000	438,472	416,528
<u>Administration</u>			
Initial Reserve	10,000		10,000
Contingencies	120,000	55,941	64,059
Salaries	25,000	17,500	7,500
Total Community Development Block Grant - Sewer Project Fund	\$ 1,566,000	\$ 701,476	\$ 864,524

LAWRENCE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>COMMUNITY DEVELOPMENT</u>			
<u>BLOCK GRANT - ECONOMIC</u>			
<u>DEVELOPMENT FUND</u>			
<u>General Government</u>			
Economic Development:	\$ 248,865	\$ 35,649	\$ 213,216
<u>Capital Projects</u>			
Department Staff	1,135	1,135	
Total Community Development Block Grant - Economic Development Fund	\$ 250,000	\$ 36,784	\$ 213,216
<u>FORESTRY FUND</u>			
<u>Protection to Persons and Property</u>			
Forest Fire Protection:			
Forest Resource Services	\$ 24,257	\$ 3,564	\$ 20,693
<u>E-911 FUND</u>			
<u>Protection to Persons and Property</u>			
Communications:			
Miscellaneous	\$ 0	\$ 21	\$ (21)

LAWRENCE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
Total Operating Budget - All Funds	\$ 4,372,242	\$ 3,013,147	\$ 1,359,095
Other Financing Uses:			
Transfers To Voted Courthouse Annex			
Bond Fund	61,900	61,900	
Kentucky Area Development			
Districts Financing Trust	75,619	77,000	(1,381)
Kentucky Advance Revenue Program-			
Principal	579,160	579,160	
TOTAL BUDGET - ALL FUNDS	<u>\$ 5,088,921</u>	<u>\$ 3,731,207</u>	<u>\$ 1,357,714</u>

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable David L. Compton, Lawrence County Judge/Executive
Honorable Roger Jordan, Former Lawrence County Judge/Executive
Members of the Lawrence County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Lawrence County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated February 23, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Lawrence County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lawrence County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable David L. Compton, Lawrence County Judge/Executive
Honorable Roger Jordan, Former Lawrence County Judge/Executive
Members of the Lawrence County Fiscal Court
Report on Compliance And On Internal Control Over Financial Reporting Based On An
Audit Of Financial Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
February 23, 2000

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable David L. Compton, Lawrence County Judge/Executive
Honorable Roger Jordan, Former Lawrence County Judge/Executive
Members of the Lawrence County Fiscal Court

Report On Compliance With Requirements Applicable To Each Major Program
And Internal Control Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Lawrence County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. Lawrence County's major federal programs are identified in the schedule of expenditures of federal awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lawrence County's management. Our responsibility is to express an opinion on Lawrence County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lawrence County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lawrence County's compliance with those requirements.

Honorable David L. Compton, Lawrence County Judge/Executive
Honorable Roger Jordan, Former Lawrence County Judge/Executive
Members of the Lawrence County Fiscal Court
Report On Compliance With Requirements Applicable To Each Major Program
And Internal Control Over Compliance In Accordance With OMB Circular A-133
(Continued)

Internal Control Over Compliance

The management of Lawrence County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lawrence County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed –
February 23, 2000

FINDINGS AND QUESTIONED COSTS

LAWRENCE COUNTY
FINDINGS AND QUESTIONED COSTS

Fiscal Year Ended June 30, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Lawrence County.
2. One reportable condition disclosed during the audit of the financial statements is reported in the Independent Auditor's Report. The condition was not reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Lawrence County were disclosed during the audit.
4. No reportable conditions disclosed during the audit of the major federal awards programs are reported in the Independent Auditor's Report.
5. The auditor's report on compliance for the audit of the major federal award programs for Lawrence County expresses an unqualified opinion.
6. There are no audit findings relative to the major federal awards programs for Lawrence County reported in Part C of this schedule.
7. The programs tested as major programs included: Community Development Block Grants - CFDA #14.228 and Capitalization Grants for State Revolving Loan Funds - CFDA #66.458.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Lawrence County was not determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

The Lawrence County Fiscal Court Should Disclose Related Party Transactions To The County Board Of Ethics

During our audit, we made inquiries and reviewed the county's accounting records and other documentation to determine the existence of related party transactions. The following related party transactions were noted as a result of our review and inquiries.

Former County Judge/Executive Roger Jordan's brother-in-law, John Lemaster, was awarded contracts totaling \$107,495 for road repairs during fiscal year ended June 30, 1999.

County Treasurer Sue Maynard's brother, Jim Cyrus a/k/a Cyrus Contracting Inc., was awarded contracts totaling \$95,184 for construction projects during fiscal year ended June 30, 1999.

County Treasurer Sue Maynard's son-in-law, Charles A. Bradshaw, performed various small repair projects totaling \$8,140 for the county during fiscal year ended June 30, 1999.

Based on our review and inquiries, we determined the related party transactions were voted on and documented by the fiscal court.

We recommend the fiscal court continue to document and vote on all related party transactions. In addition, we recommend the county Board of Ethics be informed of these transactions.

Management's Response:

We are planning on asking the Ethics Board to issue an opinion.

LAWRENCE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Fiscal Year Ended June 30, 1999
(Continued)

NONCOMPLIANCES

None

PRIOR YEAR FINDINGS

- The Lawrence County Fiscal Court Should Document Related Party Transactions

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM
AUDIT

None

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LAWRENCE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

Federal Grantor Program Title <u>Grant Name (CFDA #)</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>
Cash Programs:		
<u>U.S. Department of Housing and Urban Development</u>		
Passed-Through State Department of Local Government:		
Community Development Block Grants - Point Sewer Project (CFDA #14.228)	B-94-DC-21-0001(065)	\$ 24,032
Community Development Block Grants - Point Sewer Project (CFDA #14.228)	B-95-DC-21-0001(033)	<u>431,018</u>
Total U.S. Department of Housing and Urban Development (Note 2)		<u>\$ 455,050</u>
<u>U.S. Environmental Protection Agency</u>		
Passed-Through Kentucky Infrastructure Authority:		
Capitalization Grants for State Revolving Funds (CFDA #66.458)	A97-02	<u>\$ 328,661</u>
<u>U.S. Federal Emergency Management Agency</u>		
Passed-Through State Department of Military Affairs:		
Disaster and Emergency Assistance Grants-		
Severe Weather 03/97 (CFDA #83.516)	FEMA-1163-DR-KY	\$ 62,100
Snow Removal 02/98 (CFDA #83.516)	FEMA-1207-DR-KY	71,145

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

(Continued)

Federal Grantor

Program Title

Grant Name (CFDA #)

Pass-Through

Grantor's NumberExpenditures

Cash Programs: (Continued)

U.S. Federal Emergency Management Agency (Continued)Passed-Through State Department
of Military Affairs: (Continued)

Disaster and Emergency

Assistance Grants-

Severe Weather 04/98

(CFDA #83.516)

FEMA-1216-DR-KY

\$ 73,137

Coordinator Salary

(CFDA #83.503)

N/A

5,701Total U.S. Federal Emergency
Management Agency\$ 212,083

Total Cash Expenditures of Federal Awards

\$ 995,794

LAWRENCE COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1999

Note 1 - Basis of Presentation

This schedule is presented on a cash basis.

Note 2 - As required by this grant agreement, all program moneys received by the recipient after the completion of all recipient grant activities shall be used by the recipient for community or economic development activities eligible for assistance under Title I of the Housing and Community Development Act of 1974, so specified in the Commonwealth of Kentucky's Community Development Block Grant Eligible Activities Policy Statement.

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**CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

LAWRENCE COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1999

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
LAWRENCE COUNTY FISCAL COURT

The Lawrence County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

David Z. Compton
Name
County Judge/Executive

Sue Maynard
Name
County Treasurer